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## PARTNERSHIP STAFF



Seated from left: Leona Walker, Carol Freels, and Kim Bell. Standing in back: Jack Sanders, Raul Moreno, Brenda Bufford, and Keith Parsley

**H**appy New Year!!! We are pleased to announce that we are commencing our communications with you again via our LTC Alerts and the California Partnership Newsletter. We currently have a full complement of staff who is working diligently to gear up our public relations activities between the Partnership program, our Partner Insurers and the agent workforce to lend support, provide up-to-date feedback on LTCI resources and tools, and educate agents who market Partnership policies.

New Year's Message Cont'd on Page 6

# CALIFORNIA PARTNERSHIP NEWS

A PROGRAM OF THE CALIFORNIA DEPARTMENT OF HEALTH SERVICES

## NATIONAL PARTNERSHIP: A Future Reality?

The Deficit Reduction Act of 2005 was passed by Congress in December 2005 which allows a Long-Term Care Partnership program to be established by any state. California, Connecticut, Indiana, and New York are the only states with existing Partnership programs.

With the passage of the Partnership legislation, the remaining states that wish to participate in new Partnership programs will recognize the benefits of selling quality long-term care Partnership policies while significantly increasing consumer awareness about long-term care planning. Policyholders purchasing policies through a Partnership program would be entitled to receive built-in asset

protection and inflation protection features, and may be eligible for certain tax-qualified long-term care policies.

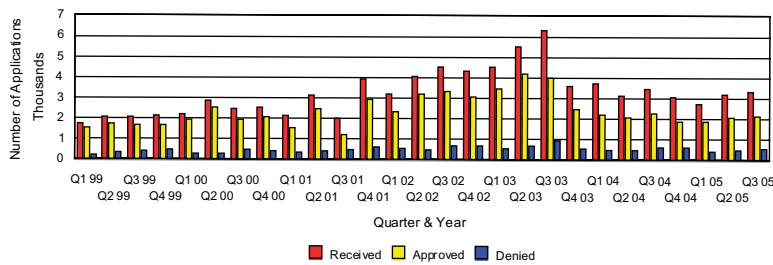
Congressional support of the National Partnership legislation further validates long-term care insurance as an essential financial planning mechanism. Now that the Partnership programs have national attention, it is an excellent time to focus on selling affordable, quality Partnership policies. These policies help consumers offset the rising costs of medical expenses, protects them from spending down assets if Medicaid assistance becomes a necessity, and protects their assets against Medicaid estate recovery.

The National Partnership legislation does not affect the California Partnership for Long-Term Care

Nat'l Partnership Cont'd on Page 5

# California Partnership for Long-Term Care

Trend In Applications Received, Approved, Denied  
By Quarter



Redesigned policies available as of the 4th. quarter of 1998

Visit our web site at [www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc) for current sales statistics.

The average age at purchase was 57

56% were female

71% were married

99.5% bought comprehensive policies

97% were first-time purchasers

3% bought one year policies

13% bought two year policies

22% bought three year policies

25% bought four year policies

8% bought five to ten year policies

30% bought lifetime policies

## METLIFE JOINS PARTNERSHIP TEAM!

We wish to extend a warm welcome to our newest partner, MetLife! On November 7, 2005, MetLife rolled out their CPLTC approved Multi-Life Long-Term Care Insurance product for small and mid-size businesses. This is the first state-wide program to deliver CPLTC approved long-term care policies through the workplace. Partnership staff joined with MetLife staff in meetings throughout California to help promote the new MetLife Partnership work site product.

We would like to share an article we found in the Sacramento Business Journal prepared by correspondent Barbara Marquand in December 2005. We hope you find the article interesting.

## MetLife, State Agency Push Insurance for Long-Term Care

As part of a statewide effort to get more people insured for long-term care, MetLife Inc. launched a new state-certified insurance program last month

geared to small and medium-sized employers.

The new policies are the first of their kind endorsed by the California Partnership for Long-Term Care, a state program created in 1994 to encourage more Californians to buy insurance for long-term care. Other partnership-endorsed policies are geared to individuals.

"This gives us another avenue to get the word out about the benefit of the products," said Brenda Bufford, Chief of the California Partnership. This month the company will reach out to 1,000 independent brokers and MetLife agents to gear up for approaching employers after the first of the year. Most employers decide their benefit packages between now and June.

Jodi Anatole, MetLife's vice president of long-term care, sees ripe potential in the California employer market. While about 70 percent of very large employers—those with more than 5,000

workers—offer as a benefit insurance covering long-term care, less than a quarter of employers with fewer than 50 employees offer long-term care insurance benefits.

"There's tremendous opportunity," she said. California in particular has a concentration of small employers."

It's too early to gauge employer response, but Anatole said agents and brokers have told the company they are anxious to offer a product like this. More than a third of employers nationwide expect workforce demand for long-term care insurance to increase over the next 18 months, she said.

Premiums for insuring long-term medical care vary widely according to the terms and the ages of beneficiaries. For a 55-year old individual, the annual premium for a lifetime benefit policy with a cost of living rider arranged from \$810 to \$2,894, according to the national survey of 36 plans this year by Broker World magazine.

MetLife Cont'd on Page 3

**State's imprimatur:** Endorsement by the California Partnership for Long-Term Care gives MetLife an advantage. "The partnership did the due diligence in its selection process," Anatole said. "That really has taken a tremendous responsibility off the employer. And only Partnership policies offer asset protection if beneficiaries use all their benefits and required coverage under Medi-Cal.

Health insurance plans, including Medicare, are designed to cover treatment by a doctor or hospital costs, and they typically don't cover long-term care, which includes help with daily tasks, such as bathing, eating and dressing provided at home or in a center for long-term care.

Medi-Cal covers long-term care, but only for people with tiny financial reserves. The Partnership-endorsed policies guarantee that beneficiaries keep \$1 in assets for every \$1 the Partnership policy pays in long-term benefits. To qualify for Medi-Cal once they've run through all their benefits, beneficiaries are allowed to keep the assets normally allowed under Medi-Cal rules, plus the assets equal to the amount in benefits the Partnership policy has paid. Clients can protect themselves fully by purchasing policies with coverage equal to their assets.

Half of women and one out of three men older than 65 in California will spend some time in

a nursing home. Nursing home care in California averages about \$190 a day, or \$69,000 a year, said Sandra Shewry, Director of the California Department of Health Services.

Seven percent of adults in California are covered by long-term care insurance, a little more than in the rest of the nation.

Concern over the future of Medi-Cal as the population ages led the state legislature to call for creating the Partnership, which is part of the Department of Health Services. Besides MetLife, which is also offering a Partnership product for the individual market, participating insurers include the California Public Employees' Retirement System, Bankers Life and Casualty Company, GE Capital Assurance, John Hancock and New York Life Insurance Company.

**Likely effect on businesses:** The issue has an impact on employers because long-term care insurance can help keep working caregivers in the work force and reduce the amount of workplace disruptions and stress.

Employees will be able to purchase policies for aging family members. Holding other factors constant, employees caring for disabled family members with insurance for long-term care were almost twice as likely to stay in the workforce than those caring for uninsured disabled individuals, according to a MetLife study of employed caregivers.

The impact on caregivers will be among the primary selling point to employers, Anatole said. Employers predominantly offer long-term care insurance as a voluntary benefit. Frequent communication during the enrollment period will be important for encouraging more workers to buy, Anatole said. "It's not just handing them a packet and asking them to enroll."

MetLife will also market the policies as a perk companies can provide for executives. "This is just one more thing they can put in the executive benefit package that was not available in the past," Anatole said.

Employers will be encouraged to buy the Partnership policies as a way to help the state save money. To help promote the policies, representatives of the Partnership for Long-Term Care will attend training sessions and meetings with employers. The Partnership will conduct a direct-mail campaign announcing MetLife's new products in January and do some target marketing in select cities in the Spring.



**CALIFORNIA DEPARTMENT  
OF HEALTH SERVICES**



## WELCOME LEONA

The California Partnership for Long-Term Care program is pleased to announce our newest addition to the team:

**Leona Walker**



Leona comes to the Partnership to coordinate the design and implementation of our promotional plans; develop plans to market group Partnership long-term care insurance policies through outreach in the employer market; monitor interagency agreements and private contracts pertaining to the educational and promotional activities of the program; and respond to stakeholders' inquiries about the program.

Leona's state service career spans over 27 years. She is looking forward to her new responsibilities and is committed to serving the Partnership mission to increase long-term care insurance education and awareness to Californians.

## 2005 White House Conference on Aging Closes Top 10 Resolutions Announced

Washington DC, Dec. 14, 2005. – The 2005 White House Conference on Aging (WHCoA) officially closed today, with delegates sharing recommendations to be sent to the President and Congress on the pressing aging issues of today and the future. The top 10 resolutions as voted by the delegates are:

1. Reauthorize the Older Americans Act Within the First Six Months following the 2005 White House Conference on Aging
2. **Develop a Coordinated, Comprehensive Long-Term Care Strategy by Supporting Public and Private Sector Initiatives that Address Financing, Choice, Quality, Service Delivery, and the Paid and Unpaid Workforce**
3. Ensure that Older Americans Have Transportation Options to Retain Their Mobility and Independence
4. Strengthen and Improve the Medicaid Program for Seniors
5. Strengthen and Improve the Medicare Program
6. Support geriatric Education and training for All Healthcare Professionals, Paraprofessionals, Health Profession Students, and Direct Care Workers
7. **Promote Innovative Models of Non-Institutional Long-Term Care**
8. Improve Recognition, Assessment, and Treatment of Mental Illness and Depression Among Older Americans
9. Attain Adequate Numbers of Healthcare Personnel in All Professions Who are Skilled, Culturally Competent, and Specialized Geriatrics
10. Improve State and Local Based Integrated Delivery Systems to Meet 21st Century Needs of Seniors

Source: Reprinted from press release, "2005 White House Conference On Aging Closes", [www.whcoa.gov](http://www.whcoa.gov), December 14, 2005.

(CPLTC); however, below are a few of the important elements of the new Partnership legislation:

✓ States can participate in Partnership programs when their Medicaid Plan Amendment is filed and approved;

✓ Inflation protection requirements:

➤ compound inflation protection is required for ages 0 to 60

➤ some form of inflation protection is required, and simple inflation is permitted for ages 61 to 75

➤ inflation protection is not required for ages 75 and over

✓ States have the capability to participate or not in reciprocity once the requirements are established;

✓ Partnership policies are commensurate with tax-qualified policies in any individual state;

We will keep you informed of new National Partnership developments in future LTC Alert publications.

## AGENT SEMINARS 2006

Be sure to mark your calendars for the Partnership's 2006 Agent Seminars. Meet Partnership staff and earn **EIGHT** hours of Partnership CE credit.

### Northern California

May 11, 2006  
Holiday Inn  
Concord, CA  
(925) 687-5500

### Southern California

May 18, 2006  
Embassy Suites  
Garden Grove, CA  
(714) 539-3300

The **Registration Brochure** will be mailed later this month and includes a list of the topics being covered and the information necessary to register. Don't miss out on this opportunity!

The **Registration fee** is **\$85** and late registration will be **\$105**.

Staff are looking forward to seeing old friends and making new ones!!

To be removed from our mailing list, please e-mail your request to [cpltcas@dhs.ca.gov](mailto:cpltcas@dhs.ca.gov) or call the Partnership at (916) 552-8990.

These Continuing Education providers are approved by the Department of Insurance and the Department of Health Services. Each of these providers offer the training required by the Partnership.

The Partnership does not endorse any particular course. All courses must follow the outline developed by the Partnership.

Please call the providers below for their list of scheduled classes or visit their websites for detailed information.

Tom Orr  
Senior Insurance Training Services  
670 W. Napa Street, Suite M  
Sonoma, CA 95476-9998  
Tel. (800) 460-7487  
Fax (707) 939-9599  
[www.tomorr.com](http://www.tomorr.com)  
Multiple instructors

Sandi Miley  
Miley Education & Insurance  
10420 Rancho Carmel Drive  
San Diego, CA 92128  
Tel. (800) 296-8440  
Fax (619) 374-2004  
Multiple instructors

Sandi Kruse  
Sandi Kruse Insurance Training  
PO Box 786  
Bonita, CA 91908-0786  
Tel. (800) 517-7500  
Fax (619) 421-8171  
[www.kruse.com](http://www.kruse.com)  
Multiple instructors

## 2005 Accomplishments

We are exceptionally excited about the Partnership's achievements since our Spring 2005 publication of the Partnership Newsletter.

Since that time, we continue to celebrate the 10th Anniversary of the Partnership program!

Four quarterly Agent Advisory Group meetings and 4 quarterly Issuer Partner meetings were conducted; we presented the annual May 2005 Agent Training Seminars in Concord and Anaheim.

We are excited to announce the upcoming launch of the Direct Mail Campaign.

In collaboration with our insurer partners, our marketing contractor, Brown Miller Communications, Inc., has completed the design of the Agent Interactive CD that was originally introduced during our agent seminars with the assistance of a professional mediator. The CD was focus-tested in San Jose and San Diego to capture valuable comments and suggestions from agents. The CD will assist agents in educating their clients on a variety of long-term care issues. We anticipate having the Interactive CD available at the May 2006 Agent Training Seminar.

In 2005, staff attended the California Governor & First Lady's Conference on Women

and Families in Long Beach, and the Professional Business Women's Conference in Sacramento to provide education and awareness to consumers about Long-Term Care planning.

Finally in 2005, we created several new radio ads. We anticipate receiving approval of the radio ads from our Health and Human Agency.

With 2005 behind us and 2006 ahead, we are committed to

### CPLTC Quarterly Report

- Quarterly & Cumulative Sales Statistics
- Benefit Amounts Purchased
- Elimination Periods
- Age of Policyholders
- Trends In Applications Received, Approved and Denied
- Policyholders & Earned Asset Protection
- Service Utilization

The Quarterly Report is available at [www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc)

further increasing awareness and education about quality LTCI.

**So, where are we headed in 2006?** We are off to a great start as we bring in the New Year!!! In order to meet our goals to increase awareness and education about quality LTCI to California consumers, and our expectation to increase the number of Partnership applications, we are planning cooperative efforts with our stakeholders to target populations

in California possessing minimal knowledge about planning for their LTC.

We will be providing updates on Partnership-related activities utilizing the LTC Alerts. Plans are in the works to carry out various targeted marketing activities in Modesto and Santa Rosa. The annual agent seminar presentations will be held in Northern and Southern California in May 2006 during the celebration of our annual commemoration of LTCI Awareness Month!

We **APPRECIATE OUR INSURER PARTNERS** for collaborating with us in pursuit of new educational venues and for helping us promote awareness and education to California consumers about the importance of LTC planning.

As always, we invite you to contact us directly for information pertaining to LTC or access the Partnership website at [www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc).

**From our Partnership family to all of you, Best wishes for a successful and prosperous New Year!!!**

### Partnership Video

The 8-minute marketing video is available in DVD or VHS format and sells for \$6 for 1-49 copies and \$5 for orders of 50 or more. Order forms and an on-line version of the video are available at [www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc).

## Comcast Local Edition

Comcast Local Edition is a 5-minute, studio based informational program airing at 24 and 54 minutes past the hour, most every hour on CNN Headline News in various Los Angeles, Orange and Riverside County communities. The primary mission of Comcast Local Edition is to afford governmental, community and educational leaders the opportunity to communicate to their constituents.

Brenda Bufford, Chief of the California Partnership for Long-Term Care program, was offered an opportunity to be interviewed by Comcast Local Edition for Southern California last November. Brenda met the Production Coordinator for Comcast Cable during her business trip at the Governor and First Lady's Conference on Women and Families and was asked to participate in a two-session, taped interview. During one session, Brenda presented an overview of the Partnership program and our goals to increase consumer awareness about long-term care insurance. The second session dealt with costs, planning, and consumer education surrounding long-term care issues. CNN Headline News broadcast Brenda's interview about our Partnership program to viewers approximately 48 to 50 times.

The interview with Comcast Local Edition is one of many continuing outreach opportunities we will be pursuing in 2006 to promote consumer awareness about the Partnership for Long-Term Care program, and educate consumers about long-term care insurance and

planning needs! We are hopeful that the Comcast Local Edition broadcast in Southern California increases viewer awareness about the Partnership program and the importance of long-term care planning.

### New Reports Explain Medicaid's Role in LTC and Track Trends

New attention is being focused on who relies on Medicaid for help with nursing home bills and how they qualify for the program. Additionally, states have been shifting resources to more home and community based settings in recent years in an attempt to provide alternatives to institutional care.

The Kaiser Commission on Medicaid and the Uninsured has several new and recent reports highlighting the latest trends in Medicaid's role for people with LTC needs:

**Long-Term Care: Understanding Medicaid's Role for the Elderly and Disabled** provides a review of how Medicaid works for people with LTC needs and describes the fiscal challenges that states currently face and that Medicaid may face in the future as the population ages;

**Asset Transfer and Nursing Home Use** examines asset transfer data of elderly nursing home residents and finds that their average asset transfers are small, sufficient to cover about one month of private nursing home care;

**The Distribution of Assets in the Elderly Population** living in the

community finds that most elderly people living in the community do not have assets, excluding home equity, sufficient to finance a nursing home stay of one year or more;

**Strategies to Keep Consumers Needing Long-Term Care in the Community and Out of Nursing Facilities** examines "diversion" policies and practices in eight states, providing a sense of what state Medicaid programs are doing or could be doing to promote diversion;

**Who Stays and Who Goes Home:** Using national data on nursing home discharges and long-stay residents to draw implications for nursing home transition programs describes the characteristics of elderly nursing home residents who are discharged back to the community over a one year time period and those who remain in nursing homes for 90 days or longer to provide insights on who to target in transition programs and what level and types of community resources are needed; **and**

**Medicaid 1915(c) Home and Community Based Service Programs:** Data update presents the latest data on the development of the three main home and community based service programs in Medicaid and policies such as eligibility criteria and waiting lists that states use to control spending growth in these programs.

Source: Henry J. Kaiser Foundation 2400 Sand Hill Road, Menlo Park, CA 94025 (650) 854-9400. Washington DC Office 1330 G Street NW, Washington, DC 20005 (202) 347-5270.



# CALIFORNIA PARTNERSHIP NEWS

A PROGRAM OF THE CALIFORNIA DEPARTMENT OF HEALTH SERVICES

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## PARTICIPATING INSURERS:

Bankers Life and Casualty  
(888) 2828-BLC

Genworth (formerly GE Financial Assurance)  
(888) 436-9678 (New)

John Hancock Life Insurance Company  
(800) 377-7311

MetLife  
(888) 4CA-PLAN

New York Life Insurance  
(800) 224-4582

CalPERS Long-Term Care Program  
(800) 205-2020

Editor: Leona Walker



## Notable News

### BON VOYAGE TO JACK!!!

Jack Sanders is no longer with the California Partnership for Long-Term Care. He has accepted a new position in another section of the Department of Health Services. Jack made valuable contributions during his tenure with the Partnership, and he will be missed by his friends and co-workers. We wish Jack "good luck" in his new job.

### COMPLIMENTARY BROCHURES

#### Available For New Agents

The Partnership will provide agents who are newly certified to sell Partnership policies **one** complimentary copy each of our brochures, "Making Choices Today to Secure Tomorrow" and "The Balancing Act". In addition, new agents are entitled to **25** complimentary copies of the Basic and Asset Protection brochures.

Our complimentary brochures for new agents are available to order! We invite our partner agents to visit our Partnership Brochures WEB page for inclusive information about our brochures. Please take the opportunity to access the Materials Order Form link to order your complimentary brochures.

Once agents have received their initial complimentary **25** brochures, please contact the Partner company(s) or the CPLTC for additional copies. If your carrier(s) is unable to fill your requests for additional brochures, please contact the Partnership at [cpltc@dhs.ca.gov](mailto:cpltc@dhs.ca.gov) for assistance and brochure prices.

### //////////EDITOR'S CORNER//////////

The California Partnership News would like to be a resource for your questions. Please submit questions to our website at [cpltc@dhs.ca.gov](mailto:cpltc@dhs.ca.gov). We will research your inquiries that may be published in a later edition of the California Partnership News.